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SIPDIS, SENSITIVE

E.O. 12958: N/A

TAGS: [PARM](#) [ECON](#) [EFIN](#) [PREL](#) [KNNP](#) [MNUC](#) [MTCR](#) [KN](#) [AU](#)

SUBJECT: Austria Supportive on DPRK/1874 Implementation

REF: A) STATE 65483, B) STATE 66250

¶1. (SBU) Post delivered ref A demarche (on implementing DPRK sanctions contained in UNSCR 1874) to Sabine Staffelmayer, coordinator for North Korea policy at the Austrian MFA (Ministry for European and International Affairs). We delivered ref B demarche (on financial safeguards / sanctions) to Elisabeth Ottawa and Alfred Lejsek of the Austrian MinFin's international division, and had a follow-up conversation with MinEcon's head of export control.

¶2. (SBU) MFA rep responded that Austria (which holds a non-permanent seat on the UN Security Council) supported UNSCR 1874 "from the beginning" and "fully supported" the European Council Presidency Conclusions June 18/19 condemning DPRK nuclear tests and supporting "swift and efficient implementation" of resolution 1874. Staffelmayer also assured us that Austrian authorities will provide "full cooperation" in the country's (limited) economic, trade and financial relations with DPRK entities.

¶3. (SBU) MinFin representatives were similarly supportive on Ref B issues. The GoA distributed Ref B's FinCen advisory to Austrian banks and has circulated our points internally. Lejsek surmised that Austria has had minimal economic ties with North Korea since the June 2004 closure of the "Golden Star" bank branch in Vienna (NOTE: until then, it was the DPRK's only bank branch overseas - END NOTE) and the 2006 closing of North Korean accounts at Bank Austria. We pointed out that North Korea maintains an embassy in Vienna and encouraged the GoA to continue vigilant oversight.

¶4. (SBU) Austrian MinEcon export control head Helmut Krehlik cited an ongoing case involving an Austrian citizen (Mr "Schwarz") who sought to export luxury yachts from Italy to North Korea, in contravention of the EU's existing ban on luxury exports to the DPRK. Krehlik pleaded for greater legal clarity at the UN and EU levels: the EU's luxury ban is so vague that it may not stand in Austrian criminal courts (which tend not to convict if the contravened regulations are not specific).

HOH